



REPORT OF:	Head of Health and Wellbeing
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TO	Overview and Scrutiny Committee
DATE:	26 April 2017

WARD (S) AFFECTED:	All
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SUBJECT:	PATHWAY FOR CARE PROGRESS REPORT
RECOMMENDATIONS:	
(i) That the Overview and Scrutiny Committee note the report.	
SUMMARY	
This report provides the Committee with a progress report on the work of the Pathway for Care company that was established by the Council in 2016.	

STATUTORY POWERS

1. A local Authority is able to establish a Local Authority Trading Company ('LATC') through the powers in section 95 of the Local Government Act 2003. A Local Authority is permitted to trade in anything that it is authorised to do under its ordinary functions.
2. Under section 1 of the Localism Act 2011 local authorities now have a general power that enables them to do anything that a private individual is entitled to do, as long as it is not expressly prohibited by other legislation. Section 4 of the same Act directs that anything which is done for a purely commercial purpose should be done through a company. As the company operates for purely commercial purposes and may operate outside borough boundaries, this is the relevant power.
3. The Company would be a controlled company as defined in the Local Government and Housing Act 1989 as it is a subsidiary company of a local authority and as such the majority shareholder (the Council) has ultimate control over the activities and operational matters of the Company.

BACKGROUND:

4. We have delivered substantial savings in recent years in response to, and the aftermath of, the economic recession. This in turn has led to a reduction in the

size and expenditure of the Council. The Local Government Spending Review, announced at the end of 2015, confirmed that there would be no let up from Government. Reigate and Banstead was confirmed as one of 18 local authorities that will receive no revenue support grant by 2017/18. Over the period of our existing Five Year Plan (2015-2020), we will need to find additional savings or new income totalling £3.9m.

5. At the same time as meeting these financial challenges, the Council has protected services and delivered a massive agenda around improving places and transforming lives. Increasingly, the Council's focus is on the latter.
6. The setting up of Pathway for Care is part of our response to providing additional support for many of our most vulnerable residents. Doing so enables the company to undertake an innovative range of health and social care activities in order to improve the health and wellbeing of those residents not just within Reigate and Banstead but also sub-regionally and indeed nationally. This initiative will also ultimately enable the Council to meet in part some of the funding challenges set down by Central Government as detailed above.
7. One of the main objectives of Pathway is to enable people both young and old, with a variety of needs, to maintain their independence, remain in their own home and live life as they choose.
8. Pathway acts as a single point of contact for the customer and their family, friends and carers, helping them to navigate their way through an unquestionably confusing and as a result, often unsettling Health and Social Care system.
9. This is primarily achieved through a combination of straightforward advice, practical assistance in the form of home support visits and the innovative use of digital monitoring equipment. When combined, this offer greatly enhances the customers experience and wellbeing and the use of digital monitoring equipment can indeed detect and thus help prevent or prolong the onset of further health complications.
10. Stress and pressure on family members, professionals and on a wide range of health and social care services is reduced by a Pathway service that is tailored to individual needs. For example, repeat and unnecessary visits to GP surgeries, A&E and also hospital admissions can all be greatly reduced, helping to ease the pressure on these limited and overstretched resources.

HEALTH AND WELLBEING INVESTMENT

11. The Council, over the last 7 years, has made a significant investment in the health and wellbeing of its residents. Over £30m has been spent re-providing and updating our leisure centres as well as improving our parks and open spaces. In line with the Council's 5 Year Plan this represents a significant investment in people, community and place. In relative terms our investment in Pathway for Care is minor in comparison.
12. Such investment was motivated by a desire to improve the health, wellbeing and quality of life of our residents and not for commercial reasons alone. Over 1.2 million visits per annum to our leisure centres and 4.1 million visits per annum to our parks and open spaces is evidence that our residents significantly value the investment we have made in these facilities.

13. The introduction of the Health and Social Care Act 2012, combined with a refresh of the 2010 -2015 Corporate Plan, further shifted our focus away from place to people.
14. A Surrey County Council five year funding programme entitled, the Personalisation and Prevention Partnership Fund or PPPF, enabled the Council to undertake a wide range of preventative Health and Wellbeing activity, specifically aimed at some of our most vulnerable and socially isolated residents.
15. This particular work stream has been the subject of reports to this Committee previously and is generally recognised as an exemplar of best practise, not just in Surrey but indeed across the South East of England.
16. It was also one of the focus areas for Reigate and Banstead's LGA Corporate Peer Challenge (September 2015 and follow up visit 2016).

LGA CORPORATE PEER CHALLENGE 2015 AND 2016

17. In relation to its Health and Wellbeing activity, the 2015 feedback report stated that the Council is:

“Responding to the changing demographics and the increasing pressures on the NHS Acute and County Social Care, the new Five Year Plan places a key focus on supporting older people to live at home independently. The Council's understanding of and commitment to investing in many activities which are beyond its statutory functions and where the impact will create savings for other public sector organisations such as Clinical Commissioning Groups or the County Council is to be applauded. It not only demonstrates the Council's community leadership role but also its ambition to be, with partners, a leader of place”.

The LGA Corporate Peer Challenge Sept 2016 report indicated that:

“The formulation of Pathway for Care Ltd not only allows the Council to continue to enhance its support of our most vulnerable residents, but also represents a significant opportunity to gain social and economic return on our investment in the Health and Wellbeing agenda, rather than merely reduce the expenditure of other public sector partners.

The political and managerial leadership of the Council is ambitious and willing to take calculated risks, as evidenced by the introduction of a new health company”.

PATHWAY FOR CARE UPDATE:

18. Following Executive approval on 14 July 2016, relevant officers and private sector partners worked together to form a Health and Social Care company known as Pathway for Care Limited.
19. The company was officially incorporated on 22 August 2016.
20. A significant amount of work has been undertaken to move from incorporation to becoming an operational company, including significant policy and procedural work relating to the regulated environment of the health and social care sector essential to achieve CQC (Care Quality Commission) registration.

21. This operational setup phase was time consuming but vitally important to take the full range of services that Pathway can offer to the market, now and over the next 12 months in response to customer feedback and emerging opportunities, such as developing the service offer to support people of working age and also younger people in need of care packages.
22. Pathway was officially registered with the ICO (Information Commissioners Office) in late October 2016. CQC conducted a full registration inspection in January 2017 and registration followed later that month. The response from CQC was very positive and Pathway colleagues are now moving forward with delivery against the original business plan (as presented to the Executive in July 2016), albeit four months later than anticipated.
23. Despite the delay with CQC registration Pathway have been successful in assembling a series of products and services to reach out to customers locally and sub-regionally to offer some basic services, with further potential post-CQC registration. Encouragingly, the business has sold well particularly within the Reigate and Banstead area and the rate of enquiries and direct sales has increased significantly since CQC registration was completed, with higher than projected conversions from assessment to support and, in particular, digital monitoring.
24. Some examples of case studies of how the Company's services has improved people's lives by providing better care are detailed in **Annex 1** attached. These examples illustrate the quality of care being provided by the company to over 100 customers.

PATHWAY FUTURE LEADS AND PROSPECTS:

25. Securing agreement and contracts with Public Sector partners is often a lengthy and time consuming process, but Pathway is at the table in all key areas of future Health and Social Care provision. In partnership with Reigate and Banstead Borough Council, discussions with a range of local public sector commissioners have taken place and the following are at secondary stage negotiations:
 - Local acute hospitals, now that CQC registration is complete, are reviewing how Pathway can help prevent hospital admissions and speed up the discharge process.
 - Surrey Heartlands and East Surrey and Sussex Sustainability and Transformation Plans (STPs) are currently establishing how Pathway can support their respective key Prevention Mandate work streams and East Surrey CCG has listed Pathway as a key asset in the future delivery of the Primary Care Transformation Programme.
26. In addition to interest in the core Pathway product, some of these have the potential to become a distribution channel and to use the potential of Pathway's model in a variety of ways not initially considered within the original business plan. These include single devices to generate data across multiple patients in for example GP Practice, rather than single device, single person data as per the original business model.

27. To support this two start-up technology funding bids have received clinical support from Surrey Downs CCG and have progressed to final stage.
28. Pathway has also begun to explore business to business sales opportunities and in this area has also generated an encouraging number of leads and prospects to include:
 - Contract to become primary care partner for a large business operating in one of our neighbouring local health economies, with significant volume sale potential.
 - Pre-contract with a number of private sector businesses locally and nationally, again with significant volume sale potential.
 - Collaboration with a third party, large property owner to install bespoke technologies and provide direct support.
29. Pathway is also in regular discussion with both Staywell and Greenwich Leisure Limited (Community Centre/Leisure Centre contract operators) in order not only to provide referrals to Pathway but also to explore the potential to improve customer experience and outcomes at those locations.
30. This combined with joined up working with the Council's Leisure and Environmental Health departments has also contributed, in part, to the recent increase in referrals and will further increase the number of local residents we support and indeed improve outcomes in other areas. For example, we have identified a means to significantly speed up the process for awarding Disabled Facilities Grants, where a significant delay is frequently caused by a lack of Occupational Therapists able to undertake the necessary needs assessment. Pathway can provide this function and its technologies may even become eligible for grant funding.
31. Furthermore, Pathway, Greenwich Leisure Limited and Staywell are now beginning to explore the potential to, when appropriate, jointly bid for contracts with the Leisure, Health and Care industries. Pathway Directors met the Chief Executive of Greenwich Leisure Limited on 13 March in order to agree next steps for enhanced partnership working.
32. To support this work and drive local and sub-regional take up of Pathway services, the Head of Health and Wellbeing, was formally seconded into Pathway from 3 April 2017.
33. To date Pathway has shown that it is able to flex and adapt very quickly to new and emerging business opportunities. Importantly it will be able to scale-up and call upon key professionals when contracts are awarded, in order to meet demand and ensure quality from the outset.
34. The Board of Directors envisage that one or more significant high-value contracts will be awarded to Pathway in the next few weeks and months. As a result the original business plan is currently being updated and will be presented to the Health and Well Being Executive Sub Committee at its next formal meeting on 15th June.

GOVERNANCE ARRANGEMENTS

35. The Board of Directors meet monthly to discuss progress against the original business plan and to evaluate and appraise potential leads and opportunities. The Board has also appointed external commercial finance and legal support in order to further scrutinise performance.
36. Despite delayed CQC registration and the impact on projected revenues this external challenge has ensured costs have been controlled effectively.
37. The Health and Well Being Executive Sub-Committee met on 13 February 2017 to manage its Shareholder responsibilities in relation to protecting both the Council's investment and reputational interest. Those are Executive matters which the Executive has delegated to the Sub-Committee.
38. The Sub-Committee has appointed Directors to the Company and has also agreed Articles of Association, a Shareholder Agreement, and a summary Business Plan. Arrangements for preparing the Loan and Draw Down and Resourcing Agreement were delegated to Officers with a view to these documents being reported to the Sub Committee and the Shareholders of the Company at its 15 June 2107 meeting.
39. In the usual way, the documents presented to the Sub-Committee are available to all Members to see.
40. Further meetings of the Sub-Committee will take place as necessary. The meeting planned for 15th June will consider the feedback from this Committee, and it will coincide with a meeting of shareholder representatives. Those meetings will consider a revised business plan for the company covering the period of 2017/18 – 2018/19. It is the role of this Committee to scrutinise the activity of the Executive to seek to help ensure both the Executive and Overview & Scrutiny Committee undertake their respective governance role's correctly.
41. It is proposed that 2 Key Performance Indicators will be developed and included within the Quarterly Performance reports that are presented to the Overview and Scrutiny Committee. It is envisaged that these emerging indicators will be around the evidence that the services, provided by Pathway, are helping people and that the financial projections of the company are on track to being profitable by 2018/19 (as projected in the original and emerging Business Plans).
42. The mechanism for measuring against these KPI's would be agreed with the Executive Sub Committee and subsequently introduced for the Performance monitoring reports.
43. In the normal way, the Chairman of the Committee has invoked the Advanced Questions Procedure and details of any questions and responses will be shared with the Committee before the meeting. In advance of that process the Committee's Vice Chairman, Councillor Parnall asked Officers to consider a number of points in relation to the operation of Pathway. The responses provided to these questions are also likely to be of assistance to members of the Committee in preparing for the consideration of this report. The issues raised relate to operational matters for the company and are therefore commercially sensitive. Consequently this information is provided in the part 2 'Exempt Information' section of the Committee's agenda and cover the following topics:

- Pathway's financial performance;
- Pathway's Assets;
- Contractual obligations;
- Business development;
- Profit and Loss accounting;
- Relationships with external partners;
- Pathway's organisational structure;
- Potential conflicts of Interest;
- Due Diligence tests;
- Company Directors;
- Company Risks;
- Market competition.

FINANCIAL IMPLICATIONS:

44. In Summer 2016, the business was expected to make a loss in 2016/17. It has done so broadly in line with expectations. In Summer 2016, the business was expected to become profitable in 2018/19, and that is the current expectation.

LEGAL IMPLICATIONS

45. Section 1 of the Localism Act 2011 provides local authorities with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the 'general power of competence'. A local authority may exercise the general power of competence for its own purpose, for a commercial purpose and/or for the benefit of others i.e. this includes the setting up of a Wellbeing and Integrated Support Service company. In exercising this power, a local authority is still subject to its general duties (such as the fiduciary duties it owes to its rate and local tax payers) and to the public law requirements to exercise the general power of competence for a proper purpose.

EQUALITIES IMPLICATIONS

46. There are no equalities implications arising from this report.

RISK MANAGEMENT CONSIDERATIONS

47. The business is managing its risks properly with a risk register reviewed monthly by the Directors of Pathway for Care.
48. The services being delivered by the company are from highly qualified staff so the risk of service failure is modest.
49. The arrangements that have been put in place by the Council contain a number of checks and balances to ensure that the company operates within agreed parameters:
- a. The Articles of Association set out the powers available to Directors.
 - b. The Shareholder Agreement set out further controls around the development of the business.

- c. The Executive Sub-Committee holds the directors accountable for delivery of the business plan. This is no different to the current arrangement whereby officers are held to account by members.
 - d. The Executive Sub-Committee can be scrutinised by the Overview and Scrutiny Committee in the same way as any other Executive function.
 - e. The company will have its own auditors and will be subject to the requirements of company law and filing at Companies House.
50. The business of the company is not expected to be profitable for some time. As such no service and financial planning assumptions are being made at this time.
51. The emerging business plan for the Company includes a strong stream of leads and prospects for the near future and it is envisaged that the existing investment is only a modest risk to the Council.

POLICY FRAMEWORK

52. The work of Pathway helps to deliver the objectives of the Council's 5 Year Plan.

CONSULTATION

53. The Leader, Deputy Leader and Executive Members for Health, Finance, Property and Leisure and Wellbeing have been consulted on the proposals.
54. The Monitoring Officer and Chief Finance Officer have been consulted on the contents of this report.

CONCLUSION:

55. Overall the Board of Directors is content with progress to date and have acknowledged the enormous commitment shown and hard work undertaken by all Pathway colleagues.
56. The early signs are it would appear that the Council's decision to invest in this business start-up will not only improve outcomes for many frail and vulnerable people, but will also realise a financial return on its investment.

Background Papers:

Executive report 14 July 2016 and
Health and Well being Sub Committee reports 13 February 2017

Pathway for Care

Case studies March '17



Michael is a 75-year-old man who lives with his wife. He has a diagnosis of Parkinson's. Michael contacted Pathway via the telephone as he wished to pursue his options outside of social services. A wellbeing assessment was carried out with Michael and his wife and a recommendations report completed. Michael was provided with information about statutory services he was entitled to, contact information for the Parkinson's Association and services they provide, financial assistance advice, other local support groups and carer groups, wellbeing and specialist support, a Blue Badge application, driving assessment, domiciliary care agencies (pre Pathway CQC-registration) and general Occupational Therapy equipment advice. Michael and his wife were very satisfied with the support they received from Pathway and have remained in contact with us since.



Daphne is 91 years old and lives in her own home. Daphne had a fall 6 years ago and developed normal pressure hydrocephalus, she has mobility difficulties, experiences confusion and memory loss, wears a hearing aid in one ear and is deaf in the other ear. Daphne has suffered from recurrent urinary tract infections and has been admitted to hospital numerous times as a result. Daphne has visits from a care agency 4 times a day. Her son Clive contacted Pathway online for our concierge service. Daphne had an assessment and support plan, including specialist OT memory assessment, weekly coordinating and monitoring visits, a reminiscence book to facilitate conversations. Daphne's son has subscribed to Pathway's digital monitoring service to ensure Daphne drinks frequently (monitored by the care agency and weekly by Pathway planner), and to monitor falls, recording all incidents, and we liaise directly with Daphne's GP.



David is in his mid 20's and lives with his parents. He suffers from severe Autism and has complex behavioural support needs associated with this. He and his family have suffered as a result of a series of failed residential care placements and his parents gave up their highly successful careers 10 years ago in order to look after him permanently at their family home. Pathway, utilising the specialist skills and experience within its extensive network of associates, assessed David and developed a relationship over a number of months with the family. Pathway has built a package of care and support for David with he and his family which includes digital behavioural monitoring. Pathway has earned the full confidence of his parents and now his Social Worker and has been asked to provide 24/7 support for David.



Megan is a 32-year-old female who had just given birth to her second child. During Megan's pregnancy, she experienced severe pelvic girdle pain and due to having a caesarean section to deliver her daughter all remaining core muscles were cut. This left her unable to mobilise or transfer and in a huge amount of pain. Megan was discharged from hospital with a hospital bed in her living room.

Megan was referred to Pathway by her Mother in law because all the services they were receiving seemed disjointed and they were unclear about the future. Megan was very anxious to know what was going to happen once her husband returned to work. Pathway offered its concierge to help Megan coordinate her care needs. Pathway OT's offered advice on how the private physiotherapist and community physiotherapist could work together and we gave Megan the confidence to confront this issue. Pathway also explained a range of grants that may be available and met with the reablement team on Megan's behalf, who referred her to the social care Locality Team. A social worker has now completed an adult social care assessment, and Megan has phoned Pathways to express her gratitude for their support and to consider how we might continue to help her.



Jessie is a 97-year-old lady living independently in her own home. Jessie is recovering from a period of ill health following a fall at home. Jessie's nephew contacted Pathway for an assessment for his Aunt, having been sent to us by word of mouth. Jessie's family live a 30-min drive away and are ageing themselves. They had been calling-in daily to take manual blood pressure readings to Jessie's GP.

Our pathway specialist undertook a full assessment and made some recommendations on ways to improve Jessie's wellbeing; including some special adaptations around her home and an appointment with a hearing specialist. The family also took up the digital monitoring service so her blood pressure readings (taken with a wearable digital device) could be accessed remotely by her community nurse and them.



Ellie is a 45-year-old lady who lives with her husband. She is diagnosed with Myalgic Encephalomyelitis and her husband is her full time carer. They contacted Pathway through our website and a wellbeing assessment was carried out with Ellie and a recommendations report completed. A number of support needs were identified, particularly around coordinating her care and reducing her social isolation. Owing to her diagnosis, Ellie finds maintaining friendships difficult as she thinks people no longer want to be friends with her. She feels she has no one apart from her husband to talk to and he takes on all her problems and emotions. As a result, Pathway is providing a befriending service and a weekly support session.



Phoebe is a 91-year-old lady living independently in her own home. Phoebe's daughter, Olivia, contacted Pathway for an Occupational Therapy assessment for her mother, having been signposted to us by the adult social care Locality Team. Olivia was concerned about how Phoebe was managing in her home, particularly in relation to her mobility. Pathway completed an assessment with Phoebe and specified some changes should be made to her property to support her, in particular with bath transfers. Pathway supported Phoebe and her family to order this equipment and went on to oversee the bathlift installation, demonstrate how to use the lift and check that it met Phoebe's needs properly. She was reassured that she could contact Pathway at any time in the future for support.



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Emma is 40 and in 2007 suffered a stroke that affecting her right side leaving her permanently disabled. During 2016 Emma found out she and her partner were expecting their first child and contact Pathway via one of our pop-up stands, at Morrisons in Reigate. Emma wanted reassurance from our technology and support to decipher conversations with medical professionals during her pregnancy. Pathway conducted an assessment and has made weekly visits, or offered telephone support since October 2016. At Emma's request, Pathway professionals have managed the liaison with Emma's GP and other health professionals. Pathway has supplied a digital blood pressure monitor offering another level of reassurance and greater autonomy as we shared this data with Emma's GP and other professionals.

